

Manager view

February presented global equity markets with a challenging mix of policy uncertainty, regional differences and sector shifts. Investors faced a slew of news on tariffs, geopolitics, inflation, interest rates, and economic growth. At the micro level, the FY24 results season was in full swing, though headlines were dominated by Trump, with trade tariffs and the Ukraine situation standing out as key issues for equity markets. The widely expected tariffs on China, Mexico, and Canada have coincided with a decline in leading US economic indicators and a corresponding drop in the US equity market. These trade tariffs pose a risk to both the US and global economies, heightened by their unpredictable rollout so far. Meanwhile, the US's hesitation to offer Ukraine a security guarantee has spurred European nations to quickly plan increased spending on defence and infrastructure.

Markets currently expect two 25 bp cuts to U.S. interest rates in 2025, though this outlook remains shaky due to factors like tariff effects, fragile business and consumer confidence, and broader economic uncertainty. Inflation fell to 2.8% in February – from 3.0% in January. This is a positive sign. Meanwhile, core CPI (excluding volatile food and energy prices) eased slightly to 3.1% from 3.3% over the same period. In the UK, the Bank of England cut interest rates by 25 bps to 4.5% – its third reduction in this cycle – to address softer inflation and bolster confidence among businesses and consumers. Uncertainty remains high, and equity markets have been volatile in recent weeks. That said, recent management commentary and results have been encouraging, reflecting incremental progress across portfolio companies overall.



Michael Foster
Lead Portfolio Manager

Michael launched the Ocean Equity Fund in May 2018. He holds the Investment Management Certificate (IMC) and has managed extensive private investments since 2011.

Discrete performance

	2024	2023	2022	2021	2020	2019
Fund	3.42%	8.67%	-22.63%	27.74%	-2.40%	24.04%
IA Sector	7.87%	7.38%	-9.06%	17.25%	-6.01%	22.24%
Rank in Sector	200/225	79/231	202/228	9/222	53/217	80/209
Quartile	4	2	4	1	1	2

Total return, bid to bid, tax UK net, sterling terms. Source: Waystone Fund Services UK Limited/Financial Express Analytics. Past performance is not a reliable indicator of future results. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money you invested.

“The widely expected tariffs on China, Mexico, and Canada have coincided with a decline in leading US economic indicators and a corresponding drop in the US equity market.”

Company news

Keller

Keller, the global leader in geotechnical specialist contracting, released its financial results for the year ending December 31, 2024. Revenue rose 4%, profit climbed 22%, earnings per share (EPS) surged 30%, and the dividend increased by 10%. The company's balance sheet strengthened significantly, with debt dropping 80% to £29.5 million, reducing net debt to EBITDA to just 0.1x – driven by robust profitability and cash flow. Notably, Keller's order book hit a record £1.6 billion, up 8%, underscoring its growing reputation in this technical market and its potential to expand market share.

These 2024 results highlight a strong year of financial and operational progress. Keller has cemented its position as a global leader in geotechnical solutions, boasting a healthier balance sheet, higher profits, and a solid project pipeline. Stakeholders can see this as proof of the company's successful long-term strategy, with potential for capital returns via dividends and share buybacks. At its current valuation, Keller looks highly attractive for a global leader delivering record results: a FY27 price-to-earnings (P/E) ratio of 5x, a FY25 dividend yield of 4.2%, a free cash flow (FCF) yield of 13%, and a return on invested capital (ROIC) of 25%. These metrics suggest a competitive edge, with pricing power to secure contracts and deliver projects on time and within budget.

Relx

Relx, a global provider of information-based analytics and decision tools, shared its preliminary FY24 results. Revenue grew 7%, profit increased 10%, EPS rose 11%, and the dividend was lifted by 7%. Return on invested capital (ROIC) – a key measure of how efficiently a company uses its capital – held steady at 22%, consistent with the past five years.

Looking ahead, Relx's strong order book for analytic tools and ambitious capital return plans signal a solid medium-term outlook. CEO Erik Engstrom, who joined Relx in 2004 and became CEO in 2009, credited 2024's robust performance to over a decade of leveraging AI and technology to enhance customer value – a strategy poised to fuel long-term growth. Management sees positive momentum across the business and anticipates another year of strong revenue, profit, and EPS growth in 2025, driven by ongoing product and service innovation. Relx's financial position remains healthy, with a net debt-to-EBITDA ratio of 1.9x and strong cash flow supporting shareholder returns through dividends and buybacks. However, risks like a broader economic slowdown or regulatory changes persist, though management's tone conveys resilience and optimism. The valuation reflects Relx's operational and financial quality: a FY27 P/E of 26x, a FY25 FCF yield of 3%, and a dividend yield of 1.6%, underpinned by an ROIC of approximately 22%.

Contact us

Michael Foster
Lead Portfolio Manager

michael.foster@fiskeplc.com
+44 (0)20 74484752

100 Wood Street, London,
EC2V 7AN

Authorised Corporate
Director & Administrator:
Waystone Fund Services
UK Limited

[www.waystone.com/
ourfunds/waystone-fund-
services-uk-limited/
ocean-investment-funds/](http://www.waystone.com/ourfunds/waystone-fund-services-uk-limited/ocean-investment-funds/)

The Ocean Equity Fund does not have an objective linked to the oceans or marine bio-diversity but the Fund Manager may choose to invest in companies that derive their revenue from shipping and energy transition sectors.

AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY | MEMBER OF THE LONDON STOCK EXCHANGE
| NOT FOR DISTRIBUTION IN THE U.S.A.

This factsheet has been issued by Fiske plc on the basis of publicly available information, internally developed data and other sources believed to be reliable and accurate. No representations or warranty, expressed or implied, is made nor responsibility of any kind is accepted by Fiske plc, its directors or employees either as to the accuracy or completeness of any information stated in this factsheet. Any opinions expressed (including estimates and forecasts) may be subject to change without notice. This document is not intended as an offer to buy or sell the fund nor as a personal recommendation. Fiske plc, or any of its connected or affiliated companies or their employees, may have a position or holding or other material interest in the fund concerned or in a related investment, or may have provided within the previous twelve months, significant advice or investment services in relation to the investment concerned or a related investment.

Investors must be aware of the risks associated with investment in this fund. Full details of the Ocean Equity Fund, including risk warnings, are published in the Prospectus and Key Investor Information document. The fund may not be suitable for all investors and if you are in any doubt whether the fund is suitable for you advice should be sought from a suitably qualified professional advisor. The value of the fund and the income derived from it can go down as well as up. Investors may not get back their initial investment. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realised. Securities denominated in foreign currencies may see their value fall as a result of exchange rate movements. Any comments contained in this factsheet are intended only for the use of the individual or entity to which it is addressed and may contain information which is confidential and may also be legally privileged.

If you have received this document in error, please telephone the Compliance Department on 44 (0)20-7448-4700.
Fiske plc FCA Register No: 124279